Whiskey and Brown Spirits Sales Making a Comeback

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While sales trends have typically favored white spirits in recent years, brown spirits*, led by whiskey, appear to be making a comeback. U.S. sales growth for whiskey and brown spirits is outperforming the growth rate of the overall spirits category in 2008, according to The Nielsen Company.Â

Whiskey growth rates have been rising steadily this year, with whiskey dollar sales increasing nearly $85 million or 4.4 percent in 2008, up from 2.3 percent a year ago - Total U.S. food, drug and liquor stores, 52 weeks ending 10/20/07 and 11/15/08.

By comparison, dollar sales growth for spirits has largely remained unchanged

Spirits dollar sales growth decreased from 4.2 percent in 2007 to 4.1 percent in 2008, in the 52 weeks ending 10/20/07 and 11/15/08.

At the same time, whiskey volume, while declining a year ago, is now showing growth. The brown resurgence is being led by Bourbons, doubling its dollar growth rate of a year ago, but is also boosted by gains from the Canadian Whiskey, Blended Whiskey and Irish Whiskey segments - Total U.S. food, drug and liquor stores, 52 weeks ending 10/20/07 and 11/15/08.

Whiskey sales increase sharply at the back end of the year, with weekly dollar sales in November and December as much as double the annual average and share of total spirits increasing by five percentage points to more than 35 percent.Â Consumers spend more on brown spirits as the temperature drops and during the Thanksgiving, Christmas and New Year holidays.

Despite the struggling economy, ultra-premium products, with an average price of approximately $45 per bottle -total U.S. food, drug and liquor stores, through 8/23/08, continue to record the strongest growth rates among brown spirits.

Whiskey sales are trending upward in 27 other countries around the globe, recording double digit growth in 12 countries, including Venezuela, Russia, Netherlands, Poland, Mexico, Turkey and Bulgaria. (â€œWhatâ€™s Hot Around the Globe: Insight on Alcoholic Beverage Categoriesâ€• The Nielsen Company, July 2008).

â€œBrown is back,â€• said Danny Brager, vice president, Beverage Alcohol, The Nielsen Company. â€œConsumers and bar managers tell us that brownâ€™s â€˜mixabilityâ€™ and rich taste, along with increased consumer knowledge are contributing to brown spirits comeback.Â Itâ€™s critical that retailers make sure their in-store promotional and merchandising efforts take advantage of whiskeyâ€™s winter seasonality.â€•

*Brown spirits include all whiskeys: Bourbon/Straight, Blends, Canadian, Scotch, Irish, etc., as well as Cognac/Brandy.Â White spirits include Vodka, Gin, Tequila and Rum, even if such categories might include aged - and hence brown - variants.

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